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## Germany Plans Further Cuts In Arms Outlays

By a WALL STREET JOURNAL Staff Reporter

BONN—The West German cabinet voted to cut 1982 defense outlays further below the level pledged by the European alliance. The move could set off another confrontation with the Reagan administration.

Kurt Becker, the government's chief spokesman, said the cabinet voted to cut the equivalent of \$87.3 million from the planned Defense Ministry budget for next year.

The cuts would reduce the ministry's budget to \$19.05 billion, for a spending increase of about 3.6% from 1981. That is less than the 4.2% rise originally planned. And even that original plan, which had drawn complaints from the Reagan administration, had called for less of a rise than Germany was pledged to make as a member of the North Atlantic Treaty Organization.

NATO members have pledged to increase their defense outlays an inflation-adjusted 3% annually. But with inflation in Germany expected to hit 4.5% next year, even a 4.2% increase in nominal spending would have meant a cut in inflation-adjusted terms.

The latest proposed cuts are part of the government's efforts to limit next year's budget deficit to \$11.57 billion.

Mr. Becker said Defense Minister Hans Apel had raised objections to the cuts. A defense ministry spokesman said the reductions would cause "difficult problems" for the nation's armed forces.

The cabinet decision yesterday on the new spending cuts, which still must be approved with the rest of the budget by parliament, had originally been planned for next week. However, those plans were changed after proposals to cut \$29.9 million in aid to students were objected to by Social Democrat Party members.

Other spending reductions from planned levels will affect the Economics, Labor, and Research Ministries. To meet next year's budget deficit goal, an additional \$3.5 billion would be raised from an increase in unemployment insurance contributions and the transfer of the central bank's 1981 profit to the government.

## BALTIMORE SUN 29 October 1981 Pg.4 U.S. withdrawing AWACS from Egypt

Washington (NYT)—Reagan administration officials said yesterday that because of an easing in tensions, the United States is withdrawing the two AWACS radar surveillance planes that it had sent to Egypt two weeks ago.

The two U.S. Air Force AWACS were de-

## WALL STREET JOURNAL 29 October 1981 Pg.18 B1 Bomber Doubts Deepening in Congress As Pentagon, CIA Differ on Soviet Defense

By WALTER S. MOSSBERG  
Staff Reporter of THE WALL STREET JOURNAL  
WASHINGTON — Conflicting Pentagon and Central Intelligence Agency assessments of Soviet air defense capabilities deepened congressional doubts about the proposed B1 bomber.

Defense Secretary Caspar Weinberger told the Senate Defense Appropriations subcommittee that 100 B1s, which he said would cost \$27.9 billion, are needed because existing B52 bombers won't be able to penetrate Soviet air defenses effectively after 1984 or 1985.

But Chairman Ted Stevens (R., Alaska) disclosed that CIA experts earlier in the day had testified in a closed-door session that Soviet air defenses wouldn't be able to stop an attack by B52s armed with cruise missiles until about 1990.

### 'Conflict of Testimony'

"We have a conflict of testimony, just this very day, that is substantial," Sen. Stevens told the Pentagon chief. "There's a serious dispute really as to whether there's any difference in the penetrating capability of the B1 and the B52 for the balance of this decade."

Mr. Weinberger said "I'd be very interested" to see the secret CIA estimate. But he insisted that "I haven't seen any indication that the B52 will be able to penetrate beyond mid-decade with any degree of reliability."

The issue of the B52's capabilities is critical in the congressional debate shaping up over President Reagan's plan to build both the B1 and a more advanced "stealth" bomber, which the Pentagon contends will be able to evade radar detection entirely because of design features and advanced technology.

The President argues that the B52s will be outmoded long before the "stealth" planes can be delivered, in the late 1980s or early 1990s. Thus, he contends, the B1 is needed to bridge the gap.

But some Senators, including Mr. Stevens, have publicly raised doubts about the Pentagon's ability to pay for two expensive new bombers. Congressional critics argue that the B52 can be used long enough with cruise missiles—and the "stealth" developed quickly enough—to avoid building the B1.

"There's no question," Sen. Stevens told Mr. Weinberger, "that there is a real substantial conflict in Congress over the B1. I just hope we don't get involved in an argument over a weapon system that really is

nothing more than a hedge" against problems in developing the "stealth" plane.

### CIA Testimony Classified

Details of the CIA testimony are classified. But Sen. Stevens said the CIA believed there would be "no difference" between the B1 and B52 through 1990. He speculated that one reason for the discrepancy in the estimates may have been that the CIA was evaluating the B1 prototypes rather than the improved version the Pentagon is planning.

However, congressional sources familiar with the CIA testimony said the agency's analysis focused less on the U.S. planes than on intelligence about the quality of Soviet air defenses.

In his public testimony, Mr. Weinberger disclosed for the first time the expected costs of the various parts of the administration's strategic weapons program. The administration previously said only that the total effort would cost \$180 billion over six years, in 1982 dollars. That translates into about \$222 billion when the Reagan administration projected rates of inflation are taken into account.

The defense chief disclosed that the \$190 billion figure is composed of \$63 billion for the three bombers equipped with cruise missiles; \$42 billion for sea-based nuclear weapons; \$34 billion for land-based missiles, including the MX missile; \$23 billion for anti-aircraft defense, and \$18 billion for improved command, control and communications systems.

### Fiscal 1982 Outlay

Sen. Stevens disclosed that the administration is seeking to spend \$21.5 billion of the \$180 billion total in fiscal 1982. That is \$2 billion less than estimates made in March, before the President opted for a mobile MX system that is less expensive than the Carter administration's proposed mobile MX system.

Mr. Weinberger didn't use this figure, or offer a complete breakdown of the coming year's budget for the program's parts. However, the Pentagon has told Congress it plans to spend \$8 billion this year on bombers, including \$2.4 billion for the B1 and unspecified amounts for the secret "stealth" program and for cruise missiles.

Congress has also been informed that this year's request includes \$4.3 billion for sea-based strategic weapons; \$3.9 billion for air defenses; \$3.2 billion for land-based missiles, including \$2 billion for the MX, and \$2.1 billion on command, control and communications.

played in Egypt after the assassination of President Anwar el Sadat because of concern that Libya might try to take advantage of Mr. Sadat's death to launch military moves against Egypt or the Sudan.

Dean Fischer, the State Department spokesman, said October 14 that the planes would be based in Egypt "for an indeterminate period." Later the Pentagon said that the

two AWACS would take part in large-scale Egyptian-American joint military exercises due to begin late in November.

Yesterday, a State Department official said that the deployment of the two AWACS "was always intended as a temporary measure." They also said that there were some second thoughts on the extent of the joint exercises planned for next month.

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## MX ... Continued

"There is a real substantial conflict in Congress over the B1," Stevens said at the subcommittee hearing, where it was revealed that 100 B1 bombers fitted out for the cruise missile would cost \$28 billion, or \$280 million a plane, not subtracting the increases attributable to inflation.

Chairman Joseph P. Addabbo (D-N.Y.) of the House subcommittee termed the vote against the MX "a significant expression" by Congress that it is reluctant to approve money for the missile before the administration has decided how and where to deploy it.

Reagan has said that he plans to build 100 MX missiles and probably deploy the first 33 of them in existing missile silos, which many experts feel are vulnerable to enemy attack. He added that he would decide in 1984 how to deploy the remaining MX missiles, with giant airplanes and silos in the West among the possibilities.

"We're not going to give him money to wait and to play with," Addabbo said in explaining why the subcommittee had balked at approving \$1.9 billion for building the MX and starting its deployment.

"We know we can't put the MX in these existing silos," Addabbo continued. "If they're vulnerable now, they would be vulnerable after the MX went into them."

Addabbo said he considered the denial of funds a deferral rather than an attempt to cancel the missile program.

Addabbo led the fight against the MX and the B1 within the subcommittee. He said he would renew the fight to block the B1 when the money bill reaches the House floor.

Experts regard it as unlikely that the full House and Senate will finally deny money for the MX, but the final outcome on the B1 appears to be a closer question. A growing number of lawmakers are beginning to doubt whether it is worth spending \$28 billion on 100 B1 bombers rather than wait for the B1's successor, the radar-evading Stealth aircraft.

"Stevens told Defense Secretary Caspar W. Weinberger, sitting at the witness table, that he doubted there would be enough money to build both the B1 and the Stealth and to keep the B52 fleet flying.

Weinberger, after consulting with aides and leafing through cost books,

## B1 ... Continued

a day after the Defense Department admitted at a Senate hearing that the \$19.7 billion estimate falls far short of what it knew to be reality.

The Pentagon's use of "low-ball" or "buy-in" figures that are unclear about exactly what items are covered has been a commonplace technique for getting Congress to commit itself to fund major weapons programs. Rarely, however, has the technique been bared even before Congress has acted. By coincidence, the exposure of the rubbery B1 figures occurred while House-Senate conferees were considering the Nunn amendment, to curb such practices.

Reacting yesterday, Defense forsook the \$19.7 billion estimate in testimony before the Senate Armed services strategic and theater nuclear forces subcommittee.

Assistant Secretary and Comptroller Jack R. Borsting said that in 1981 dollars, the \$19.7 billion properly should have been \$20.5 billion; in 1982 dollars, he said, the correct figure is \$22 billion, but it could be 3 percent or 4 percent higher. He wasn't clear whether the figure counted certain items, such as a second inertial navigation system. That system's estimated cost was put at \$220 million in the GAO draft.

James P. Wade Jr., principal deputy undersecretary for research and engineering (R&E), acknowledged plans to add a security-classified

said that it would cost \$20.5 billion in fiscal 1981 dollars to build 100 B1s. This includes \$800 million for equipping the B1s to carry cruise missiles, he added. But in actual dollars, allowing for future inflation, Weinberger said the estimate for the 100 B1s was \$27.9 billion.

Stevens said the CIA assessment given to the subcommittee yesterday morning hardened his opinion that it might make more sense to put the B1 money into Stealth.

The CIA assessed how B52 and B1 bombers laden with cruise missiles would do against Soviet defenses for the rest of this decade, Stevens said. "There would be practically no difference," Stevens said of the penetration capabilities.

Although the chairman would not elaborate, other sources said the CIA was focusing on the loss rates of B52s and B1s carrying cruise mis-

siles into the Soviet Union. Both bombers would fly low to escape radar beams and try to clear the way through defenses with electronic gadgetry and weapons.

Wade testified he did not know if the program as now written includes a so-called permissive action link, which would enable an airborne B1 crew to disable a nuclear weapon. No cost estimate was available for the link, which the GAO draft said is "a required nuclear safety device" described by Defense officials as "necessary" and destined to be added to the program.

Thomas K. Jones, a R&E deputy undersecretary, was uncertain whether the program as it stands provides for a safety system for suppressing fires in B1 fuel tanks hit by conventional shells. Originally, according to the GAO draft, however, the system was included in the program, "but it was decided to reduce cost."

The draft's list of "questionable" cost reductions included \$440 million in the allocation for engineering change orders. The GAO said it was told by Air Force officials that the reduction—about 30 percent of the original total—could limit the ability "to correct system deficiencies and keep support costs low."

The report also said that the basic design relies on avionics that "do not satisfy military standards recently adopted by the Air Force." Meeting the standards would cost an estimated \$65 million and delay the program 6 to 12 months.

siles into the Soviet Union. Both bombers would fly low to escape radar beams and try to clear the way through defenses with electronic gadgetry and weapons.

Weinberger denied that the B52 and B1 would have comparable penetration, declaring that the B52 could not be used in that role "beyond mid-decade with any degree of safety or reliability."

General David C. Jones, chairman of the Joint Chiefs of Staff, said that with the reduced radar reflection of the new B1 and its electronic gadgetry for foiling Soviet defenses, "we have very high confidence that well into the 1990s" the B1 could penetrate successfully.

"What we cannot afford," said Weinberger, "is a gap" that he said would open up in the mid-1980s between the B52 and the Stealth if the B1 were not built.